

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED GAS)	
ADJUSTMENT FILING OF ATMOS ENERGY)	
CORPORATION F/K/A WESTERN)	CASE NO. 2004-00398
KENTUCKY GAS COMPANY)	

O R D E R

On December 21, 1999, in Case No. 1999-00070,¹ the Commission approved rates for Western Kentucky Gas Company ("Western") and provided for their further adjustment in accordance with Western's gas cost adjustment ("GCA") clause. On October 1, 2002, Western changed its name to Atmos Energy Corporation ("Atmos").

On October 1, 2004, Atmos filed its proposed GCA to be effective November 1, 2004.

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

1. Atmos's notice includes revised rates designed to pass on to its sales customers its expected change in wholesale gas costs.
2. Atmos's expected gas cost ("EGC") for firm sales customers is \$7.9523 per Mcf, a decrease of 16.67 cents per Mcf from the previous EGC of \$8.1190. Atmos's EGC for both high load factor ("HLF") firm customers and interruptible sales customers is \$7.0669 per Mcf, a decrease of 16.33 cents per Mcf from the previous EGC of \$7.2302.

¹ Case No. 1999-00070, The Application of Western Kentucky Gas Company for An Adjustment of Rates, Order dated December 21, 1999.

3. Atmos's notice sets out no current period refund factor ("RF") for firm sales and HLF firm customers. The total refund factor is (.48) cent per Mcf for firm sales and HLF firm customers, and (.48) cent per Mcf for interruptible sales customers, an increase of .06 cent per Mcf from the prior refund adjustment. Atmos's notice sets out no refund adjustment for T-2 firm transportation customers or for T-2 interruptible transportation customers.

4. Atmos's notice sets a correction factor ("CF") of 20.64 cents per Mcf, which is an increase of 9.16 cents per Mcf from the previous CF.

5. Atmos's notice sets out a Performance Based Rate Recovery Factor of 6.12 cents per Mcf, which is effective from February 1, 2004 until February 1, 2005.

6. Atmos's gas cost adjustments are \$8.2151 per Mcf for firm sales customers and \$7.3297 per Mcf for HLF firm and interruptible sales customers. The impact on firm sales customers is a decrease of 7.45 cents per Mcf from the previous gas cost adjustment of \$8.2896. The impact on HLF firm customers is a decrease of 7.11 cents per Mcf from the previous gas cost adjustment of \$7.4008, and the impact on interruptible sales customers is a decrease of 7.11 cents per Mcf from the previous gas cost adjustment of \$7.4008.

7. The rates in the Appendix, attached hereto and incorporated herein, are fair, just and reasonable, and should be approved for final meter readings by Atmos on and after November 1, 2004.

IT IS THEREFORE ORDERED that:

1. The rates in the Appendix to this Order are approved for final meter readings on and after November 1, 2004.

2. Within 20 days of the date of this Order, Atmos shall file with the Commission its revised tariffs setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 27th day of October, 2004.

By the Commission

ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2004-00398 DATED October 27, 2004.

The following rates and charges are prescribed for the customers in the area served by Atmos Energy Corporation. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

RATES:

Applicable to: General Sales Service Rate G-1

Gas Cost Adjustment

To each bill rendered under the above-named rate schedules there shall be added an amount equal to: \$8.2151 per Mcf of gas used during the billing period.

Applicable to: HLF General Sales Service

Gas Cost Adjustment

To each bill rendered under the above-named rate schedules there shall be added an amount equal to: \$7.3297 per Mcf of gas used during the billing period.

Applicable to: Interruptible Sales Service Rate G-2

Gas Cost Adjustment

To each bill rendered under the above-named rate schedules there shall be added an amount equal to: \$7.3297 per Mcf of gas used during the billing period.